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INFO RUCPDOC/USDOC WASHDC 6137
RUEKJCS/SECDEF WASHINGTON DC
RUEPINS/HQ BICE INTEL WASHINGTON DC

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STATE FOR PM/DTCC-BLUE LANTERN COORDINATOR

E.O. 12958: N/A TAGS: <u>AU ETTC KOMC KS</u>

SUBJECT: RESPONSE BLUE LANTERN: POST-SHIPMENT END-USE CHECK ON

LICENSE 05-050020811

REF: A) STATE 160862

- 11. Per reftel, post contacted Korean Air and the Korea Civil Aviation Safety Authority (KCASA) by phone and e-mail. Korean Air confirmed that the company received a set of T-36M Communication/Navigation equipment in January 2007 under license 05-050020811 from U.S. exporter Tel-Instrument Electronics Corporation. The company said it delivered the item to KCASA on January 30, 2007. KCASA also confirmed the receipt of the item, which was imported on its behalf by KCASA for use in inspection and navigation aircraft.
- 12. Since 2004, Korean Air, Korea's largest air carrier, was designated to deal with the repair and maintenance of the Challenger 601, a special-use aircraft owned by KCASA for in-flight inspection of Korea's national air carriers. Korean Air's main line of business is domestic and international air services for passengers and cargo. Korean Air Maintenance Planning Department Deputy General Manager Kim Ki-soon explained that Korean Air's role in the Challenger 601 program is to import aircraft repair parts on behalf of KCASA and to repair and maintain aircraft used in KCASA's inspection flights. Kim stated that Korean Air is well aware of the provisions of the restrictions against the unauthorized re-export or retransfer of U.S.-origin defense articles.
- 13. KCASA, located in Seoul, near Gimpo Airport and the headquarters of Korean Air, was established in 2002 and is a government agency under the Ministry of Construction and Transportation. Its main responsibility is to oversee civil aviation safety and security. KCASA Flight Inspection Center Assistant Deputy Director LEE, Jung-won informed post that in 2004, KCASA contracted with Korean Air for maintenance and repair of KCASA-owned aircraft. The imported item was used for repair and maintenance of KCASA aircraft to conduct flight inspection and navigation.